

UNIFIED SCHOOL DISTRICT NO. 333

Concordia, Kansas

FINANCIAL STATEMENT AND  
INDEPENDENT AUDITOR'S REPORT

For the Year Ended June 30, 2015

MAPES & MILLER  
Certified Public Accountants  
Phillipsburg, Kansas

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas  
June 30, 2015

Beverly Mortimer - Superintendent  
Denise Cyr - Clerk  
Kathie Winter - Treasurer

BOARD MEMBERS

Rick Limon - President  
Chuck Knapp - Vice President  
Jay Thomas  
Patricia Murk  
Mary Beth Smith  
Steve Wetter  
Kevin Pounds

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

For the Year Ended June 30, 2015

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Concordia, Kansas

For the Year Ended June 30, 2015

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# **MAPES & MILLER LLP**

## **CERTIFIED PUBLIC ACCOUNTANTS**

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

418 E HOLME  
NORTON, KS 67654  
(785)877-5833

P.O. BOX 412  
QUINTER, KS 67752  
(785)754-2111

JOHN D. MAPES, CPA, CHTD  
DENIS W. MILLER, CPA, PA  
THOMAS B. CARPENTER, CPA, PA  
DON E. TILTON, CPA, PA

BRIAN S. THOMPSON, CPA, PA  
REBECCA A. LIX, CPA, PA  
STEPHANIE M. HEIER, CPA, PA

P.O. BOX 266  
711 3<sup>RD</sup> STREET  
PHILLIPSBURG, KS 67661  
(785)543-6561

P.O. BOX 508  
503 MAIN STREET  
STOCKTON, KS 67669  
(785)425-6764

## **INDEPENDENT AUDITOR'S REPORT**

Board of Education  
Unified School District No. 333  
Concordia, Kansas 66901

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 333, Concordia, Kansas, a Municipality, as of and for the year ended June 30, 2015, and the related notes to the financial statement.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the presentation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statement, the financial statement is prepared by Unified School District No. 333, Concordia, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 333, Concordia, Kansas as of June 30, 2015, or changes in financial position and cash flows thereof for the year then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 333, Concordia, Kansas, as of June 30, 2015, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, summary of regulatory basis receipts and disbursements – agency funds, schedule of regulatory basis receipts, expenditures, and unencumbered cash – district activity funds, and schedule of regulatory receipts and disbursements – student activity funds (Schedules 1, 2, 3, 4, and 5 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The schedule of expenditures of federal awards (Schedule 6 as listed in the table of contents) is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Board of Education  
Unified School District No. 333  
December 14, 2015  
Page Three

***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated December 14, 2015, on our consideration of Unified School District No. 333's internal control over financial reporting and on our tests of its compliance with certain provisions of laws regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District No. 333's internal control over financial reporting and compliance.

Respectfully submitted,

***Mapes & Miller LLP***

Certified Public Accountants

December 14, 2015  
Phillipsburg, Kansas

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Statement 1

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
REGULATORY BASIS  
For The Year Ended June 30, 2015

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds							
General Fund	\$ -	\$ -	\$ 6,961,487	\$ 6,961,487	\$ -	\$ 536,916	\$ 536,916
Supplemental General Fund	24,073	-	2,488,440	2,512,513	-	1,723	1,723
Special Purpose Funds							
Special Education Cooperative Fund	753,628	10,551	4,433,589	4,331,440	866,328	434,772	1,301,100
At Risk (4 Year Old) Fund	-	-	100,000	100,000	-	12,731	12,731
At Risk (K-12) Fund	-	-	898,966	898,966	-	9,726	9,726
Bilingual Education Fund	-	-	8,000	8,000	-	1,333	1,333
Capital Outlay Fund	165,455	-	511,705	218,449	458,711	-	458,711
Driver Training Fund	-	-	22,836	22,836	-	-	-
Food Service Fund	4,037	-	628,845	630,907	1,975	7,064	9,039
Professional Development Fund	-	-	5,456	5,456	-	-	-
Special Education Fund	-	-	1,693,141	1,546,701	146,440	-	146,440
Vocational Education Fund	-	-	172,903	172,903	-	20,944	20,944
Textbook & Student Material Revolving Fund	43,446	-	53,064	32,157	64,353	-	64,353
KPERs Special Retirement Contribution Fund	-	-	794,379	794,379	-	-	-
Contingency Reserve Fund	-	-	350,000	23,403	326,597	-	326,597
Special Assessment Fund	36	-	1	-	37	-	37
Gifts & Grants Fund	69,235	-	141,807	132,721	78,321	1,084	79,405
Parents as Teachers Fund	1,769	-	73,996	75,186	579	8,702	9,281
Federal Funds	41,881	219	354,687	362,667	34,120	47,658	81,778
District Activity Funds	31,318	-	127,528	115,238	43,608	-	43,608

The notes to the financial statement are an integral part of this statement.



UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Statement 1  
(Cont.)

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
REGULATORY BASIS  
For The Year Ended June 30, 2015

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Bond & Interest Fund							
Bond & Interest Fund	\$ 487,839	\$ -	\$ 369,307	\$ 360,087	\$ 497,059	\$ -	\$ 497,059
Capital Project Fund							
Improvement Fund	2,360,173	-	-	2,113,356	246,817	879,118	1,125,935
Trust Funds							
Donald Wade Scholarship Fund	4,248	-	5	-	4,253	-	4,253
Cheryl Laas Memorial Fund	7,490	-	22	500	7,012	-	7,012
Nicole Barleen Scholarship Fund	18,798	-	1,051	1,000	18,849	-	18,849
CHS Centennial Scholarship Fund	100	-	-	100	-	-	-
Floyd Hull Scholarship Fund	1,312	-	1	250	1,063	-	1,063
Trevor Gennette Scholarship Fund	-	-	550	250	300	-	300
Chad McDaniel Scholarship	-	-	1,000	500	500	-	500
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 4,014,838</u>	<u>\$ 10,770</u>	<u>\$ 20,192,766</u>	<u>\$ 21,421,452</u>	<u>\$ 2,796,922</u>	<u>\$ 1,961,771</u>	<u>\$ 4,758,693</u>

Composition of Cash	
People's Exchange Bank	
Checking	\$ 3,058,153
Citizens National Bank	
Savings Accounts	2,101
Certificates of Deposit	29,076
Elk State Bank	
Certificates of Deposit	630,000
Kansas Municipal Investment Pool	1,189,398
Total Cash	4,908,728
Agency Funds per Schedule 3	(150,035)
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 4,758,693</u>

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

NOTES TO THE FINANCIAL STATEMENT  
June 30, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. FINANCIAL REPORTING ENTITY**

Unified School District No. 333, Concordia, Kansas is a municipal corporation governed by an elected seven-member board. This regulatory financial statement presents Unified School District No. 333, Concordia, Kansas, a Municipality.

**B. REGULATORY BASIS FUND TYPES**

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities for the District for the year ended June 30, 2015.

**General Fund**—the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

**Special Purpose Funds**—used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

**Bond and Interest Funds**—used to account for the accumulation of resources, including tax levies, transfers from other funds, and payment of general long-term debt.

**Capital Project Fund** – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

**Trust Funds**—funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.)

**Agency Funds**—used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.)

**C. REGULATORY BASIS OF ACCOUNTING AND DEPARTURE FROM ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA**

The *Kansas Municipal Audit and Accounting Guide (KMAAG)* regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory

basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

#### **D. BUDGETARY INFORMATION**

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute), Bond and Interest Funds, and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of the notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments made for the year ended June 30, 2015.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Capital Projects Funds, Trust Funds, Agency Funds, and the following Special Purpose Funds:

Contingency Reserve Fund  
Textbook & Student Material Revolving Fund  
District Activity Funds  
Federal Funds  
Gifts and Grants Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

## 2. STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

### A. Depository Coverage:

K.S.A. 9-1402 requires deposits in public funds at statutorily authorized financial institutions be secured at the market value, which is equal to 100% of the total deposits at any given time. The deposits at Peoples Exchange Bank were undersecured on June 18, 2015.

### B. The District is not aware of any other non-compliance with Kansas statutes.

## 3. DEPOSITS AND INVESTMENTS

As of June 30, 2015, the District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years) Less than 1	Rating
Kansas Municipal Investment Pool	\$ 1,189,398	\$ 1,189,398	S&P AAf/S1+
Total Fair Value	<u>\$ 1,189,398</u>	<u>\$ 1,189,398</u>	

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located or in an adjoining county if such institution has been designated as an official depository and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's Municipality's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Municipality has no investment policy that would further limit its investment choices. The rating of the Municipality's investments is noted above.

**Concentration of Credit Risk.** State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2015 is as follows:

Investment Type	Percentage of Fair Value
Kansas Municipal Investment Pool	100%

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2015.

At June 30, 2015, the District's carrying amount of deposits was \$3,719,330 and the bank balance was \$3,733,762. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$531,196 was covered by federal depository insurance, \$3,202,566 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

**Custodial Credit Risk – Investments.** For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

At June 30, 2015, the District had invested \$1,189,398 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

#### 4. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	At Risk (4 Year Old) Fund	K.S.A. 72-6428	\$ 98,110
General Fund	At Risk (K-12) Fund	K.S.A. 72-6428	898,966
General Fund	Bilingual Fund	K.S.A. 72-6428	8,000
General Fund	Driver's Education Fund	K.S.A. 72-6428	9,274
General Fund	Food Service Fund	K.S.A. 72-6428	5,000
General Fund	Professional Development Fund	K.S.A. 72-6428	4,126
General Fund	Special Education Fund	K.S.A. 72-6428	1,674,850
General Fund	Vocational Education Fund	K.S.A. 72-6428	6,223
General Fund	Contingency Reserve Fund	K.S.A. 72-6428	350,000
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	166,680
Contingency Reserve Fund	Supplemental General Fund	K.S.A. 72-6426	23,403

#### 5. DEFINED BENEFIT PENSION PLAN

**Plan Description** - Unified School District No. 333 participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603-3869) or by calling 1-888-275-5737.

**Funding Policy** - K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective January 1, 2015 KPERS has three benefit structures and funding depends on whether the employee is a Tier 1, Tier 2 or Tier 3 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009 and before January 1, 2015. Tier 3 members were first employed in a covered position on or after January 1, 2015 and participate in a cash balance plan as provided under K.S.A. 74-49,301,et. seq. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members prior to January 1, 2015

and 6% of covered salary thereafter. Tier 2 and Tier 3 member contribution rates are set at 6% of covered salary. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutory required employers share.

**Net Pension Liability** – The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2013, which was rolled forward to June 30, 2014. As of June 30, 2014, the net pension liability for KPERS was \$8,291,794,910. KPERS has determined the District's proportionate share of the net pension liability is \$11,617,160 as of June 30, 2014. The complete actuarial valuation report including all actuarial assumptions and methods is a publically available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described in the first paragraph above.

## **6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

### **A. Other Post Employment Benefits**

As provided by K.S.A. 12-5040, the District allows for retirees (and their dependents) with a minimum of 10 years of service in the district and who have reached KPERS requirements for full benefits, to continue participation in the district group health insurance plan until such time as the retiree reaches age 65. Retirees pay for dependent coverage at the employee rate.

The District provides for a single health insurance plan for retirees who were full-time twelve month employees upon retirement, with the district paying the premiums directly to the provider. The district provides this benefit to qualified retirees until they reach age 65 or are eligible for Medicare benefits. In the event of the retiree's death before the age of 65, this benefit would continue to the retiree's spouse until the retiree would have reached 65 or as limited by COBRA regulations. The total amount paid for the year ended June 30, 2015 by the district for these retirees was \$125,974.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

### **B. Compensated Absences**

#### **Vacation and Sick Leave**

Certified and classified employees are granted three paid, non-accumulative discretionary days per year. Each classified employee who works 50 or more hours per month is granted one day of paid sick leave per month of service up to an accumulation of 90 sick days. Certified employees receive ten paid sick days per year and are allowed to accumulate up to 90 sick days. Accumulated sick leave is paid upon resignation or retirement from the District at a rate of \$10 per day (up to \$900) for classified employees. Upon resignation, retirement, termination or death of the employee, sick leave is paid to certified employees at the rate of \$20 per day (up to \$1,800). Full time, 12-month classified employees, receive 1 day of paid vacation for each month of work. Vacation days accumulate up to 15 days and are payable upon retirement or resignation at the employee's regular rate.

As of June 30, 2015, accumulated sick leave payable to certified employees totaled \$99,285 and accumulated sick leave payable to classified employees totaled \$34,991. Vacation leave payable to classified employees totaled \$16,134 as of June 30, 2015.

## **7. RISK MANAGEMENT**

The Unified School District No. 333 is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance for these potential risks.

During the year ended June 30, 2015, the District did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three fiscal years.

## **8. IN-SUBSTANCE RECEIPT IN TRANSIT**

The District received \$334,761 subsequent to June 30, 2015 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2015.

## **9. CAPITAL PROJECTS**

At year end, capital project authorizations with approved change orders compared with disbursement and accounts payable from inception were as follows:

<u>Project Name</u>	<u>Project Authorizations</u>	<u>Expenditures to Date</u>
Improvements	\$ 5,500,000	\$ 5,259,820

## **10. SUBSEQUENT EVENTS**

The District has evaluated subsequent events from year end through the date of this report and does not believe any events have occurred which effect the financial statement as presented.

## 11. LONG-TERM DEBT

Changes in long-term liabilities for the District for the year ended June 30, 2015, were as follows:

Issue	Interest Rate	Date Issued	Amount of Issue	Date of Final Maturity	Balance 7/1/2014	Additions	Reductions/ Payments	Balance 6/30/2015	Interest Paid
General Obligation Bonds									
Series 2009	3.50%	3/15/2009	\$ 2,100,000	9/1/2014	\$ 125,000	\$ -	\$ 125,000	\$ -	\$ 2,188
Series 2013	2%-4.5%	12/23/2013	5,500,000	9/1/2033	5,500,000	-	-	5,500,000	235,712
Total General Obligation Bonds					5,625,000	-	125,000	5,500,000	237,900
Capital Leases									
Technology Equipment Lease	6.44%	4/5/2013	43,177	4/5/2016	21,626	-	10,617	11,009	797
Total Capital Leases					21,626	-	10,617	11,009	797
QZAB Bonds									
QZAB-Lasalle Bank	1.61%	8/14/2007	450,000	8/14/2017	190,000	-	45,000	145,000	3,059
QZAB-Local Banks	0.00%	8/14/2007	1,050,000	8/14/2017	420,000	-	105,000	315,000	-
Total QZAB Bonds					610,000	-	150,000	460,000	3,059
Total Contractual Indebtedness					<u>\$ 6,256,626</u>	<u>\$ -</u>	<u>\$ 285,617</u>	<u>\$ 5,971,009</u>	<u>\$ 241,756</u>

Current maturity of long-term debt and interest for the next five years through maturity are as follows:

Year Ended June 30	General Obligation Bonds		Capital Leases		QZAB Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 35,000	\$ 197,913	\$ 11,009	\$ 406	\$ 150,000	\$ 2,335	\$ 196,009	\$ 200,654
2017	200,000	195,562	-	-	155,000	1,610	355,000	197,172
2018	210,000	191,463	-	-	155,000	805	365,000	192,268
2019	220,000	187,162	-	-	-	-	220,000	187,162
2020	225,000	181,588	-	-	-	-	225,000	181,588
2021-2025	1,300,000	796,984	-	-	-	-	1,300,000	796,984
2026-2030	1,645,000	545,028	-	-	-	-	1,645,000	545,028
2031-2034	1,665,000	154,206	-	-	-	-	1,665,000	154,206
Total	<u>\$ 5,500,000</u>	<u>\$ 2,449,906</u>	<u>\$ 11,009</u>	<u>\$ 406</u>	<u>\$ 460,000</u>	<u>\$ 4,750</u>	<u>\$ 5,971,009</u>	<u>\$ 2,455,062</u>



UNIFIED SCHOOL DISTRICT NO. 333  
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2015

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended June 30, 2015

FUNDS	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds:						
General Funds						
General Fund	\$ 7,080,361	\$ (350,917)	\$ 232,043	\$ 6,961,487	\$ 6,961,487	\$ -
Supplemental General Fund	2,479,215	(86,208)	119,506	2,512,513	2,512,513	-
Special Purpose Funds						
Special Education Cooperative Fund	5,328,759	-	-	5,328,759	4,331,440	(997,319)
At Risk (4 Year Old) Fund	100,000	-	-	100,000	100,000	-
At Risk (K-12) Fund	1,000,000	-	-	1,000,000	898,966	(101,034)
Bilingual Education Fund	8,000	-	-	8,000	8,000	-
Capital Outlay Fund	731,362	-	-	731,362	218,449	(512,913)
Driver Training Fund	25,100	-	-	25,100	22,836	(2,264)
Food Service Fund	740,000	-	-	740,000	630,907	(109,093)
Professional Development Fund	20,000	-	-	20,000	5,456	(14,544)
Special Education Fund	1,835,000	-	-	1,835,000	1,546,701	(288,299)
Vocational Education Fund	220,000	-	-	220,000	172,903	(47,097)
KPERS Special Retirement Contribution Fund	974,615	-	-	974,615	794,379	(180,236)
Special Assessment Fund	36	-	-	36	-	(36)
Parents as Teachers Fund	75,765	-	-	75,765	75,186	(579)
Bond & Interest Fund						
Bond & Interest Fund	363,900	-	-	363,900	360,087	(3,813)

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-1

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
REGULATORY BASIS  
For The Year Ended June 30, 2015

GENERAL FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
In Lieu of Taxes	\$ -	\$ 50	\$ (50)
Reimbursements	230,863	-	230,863
Federal Reimbursements	180	-	180
State Reimbursements	1,000	-	1,000
State Aid	5,855,685	6,081,967	(226,282)
Special Education Aid	873,759	998,344	(124,585)
	<u>6,961,487</u>	<u>\$ 7,080,361</u>	<u>\$ (118,874)</u>
Total Receipts			
EXPENDITURES			
Instruction	1,834,900	\$ 2,094,655	\$ (259,755)
Student Support Services	238,516	245,984	(7,468)
Instructional Support Staff	232,052	256,136	(24,084)
General Administration	292,348	318,637	(26,289)
School Administration	495,243	534,241	(38,998)
Central Services	93,696	95,420	(1,724)
Operations & Maintenance	407,499	185,119	222,380
Supervision	217,070	-	217,070
Vehicle Operating Services	2,109	318,239	(316,130)
Vehicle & Maintenance Services	91,904	81,930	9,974
Other Student Transportation Services	1,601	7,000	(5,399)
Outgoing Transfers	3,054,549	2,943,000	111,549
Adjustments to Comply with Legal Max	-	(350,917)	350,917
	<u>6,961,487</u>	<u>6,729,444</u>	<u>232,043</u>
Legal General Fund Budget			
Adjustment for Qualifying Budget Credits			
Reimbursements	-	232,043	(232,043)
	<u>6,961,487</u>	<u>\$ 6,961,487</u>	<u>\$ -</u>
Total Expenditures			
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2014	-		
UNENCUMBERED CASH, June 30, 2015	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-2

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
REGULATORY BASIS  
For The Year Ended June 30, 2015

SUPPLEMENTAL GENERAL FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax In Process	\$ 40,437	\$ 109,962	\$ (69,525)
Current Tax	764,017	702,518	61,499
Delinquent Tax	34,436	22,567	11,869
Motor Vehicle Tax	177,139	170,464	6,675
Recreational Vehicle Tax	2,046	1,945	101
In Lieu of Taxes	43	72	(29)
Reimbursements	407	-	407
State Reimbursements	119,099	-	119,099
State Aid	1,327,413	1,447,614	(120,201)
Incoming Transfers	23,403	-	23,403
Total Receipts	<u>2,488,440</u>	<u>\$ 2,455,142</u>	<u>\$ 33,298</u>
EXPENDITURES			
Instruction	1,489,772	\$ 1,252,344	\$ 237,428
Student Support Services	51,213	52,311	(1,098)
Instructional Support Staff	40,949	41,152	(203)
General Administration	30,612	34,564	(3,952)
School Administration	98,618	103,312	(4,694)
Central Services	141,855	156,355	(14,500)
Operations & Maintenance	492,814	616,492	(123,678)
Architectural & Engineering Services	-	2,685	(2,685)
Outgoing Transfers	166,680	220,000	(53,320)
Adjustment to Comply with Legal Max	-	(86,208)	86,208
Legal Supplemental General Fund Budget	<u>2,512,513</u>	<u>2,393,007</u>	<u>119,506</u>
Adjustment for Qualifying Budget Credits			
Reimbursements	<u>-</u>	<u>119,506</u>	<u>(119,506)</u>
Total Expenditures	<u>2,512,513</u>	<u>\$ 2,512,513</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(24,073)		
UNENCUMBERED CASH, July 1, 2014	<u>24,073</u>		
UNENCUMBERED CASH, June 30, 2015	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-3

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
REGULATORY BASIS  
For The Year Ended June 30, 2015

SPECIAL EDUCATION COOPERATIVE FUND

	Learning Cooperative of NCK	Medicaid	Total Special Education Cooperative Fund	Budget	Variance Over (Under)
<b>RECEIPTS</b>					
Reimbursements	\$ 225	\$ -	\$ 225	\$ -	\$ 225
Payments from Other Districts	3,583,864	-	3,583,864	3,712,285	(128,421)
Interest on Idle Funds	2,065	-	2,065	2,000	65
Other Revenue from Local Sources	410	18,778	19,188	-	19,188
Federal Aid	653,590	-	653,590	670,846	(17,256)
Medicaid Aid	-	174,657	174,657	190,000	(15,343)
Total Receipts	4,240,154	193,435	4,433,589	\$ 4,575,131	\$ (141,542)
<b>EXPENDITURES</b>					
Instruction	3,442,595	14,098	3,456,693	\$ 4,369,853	\$ (913,160)
Student Support Services	354,643	269,726	624,369	685,548	(61,179)
Instructional Support Staff	46,450	-	46,450	47,892	(1,442)
School Administration	194,210	-	194,210	216,466	(22,256)
Operations & Maintenance	9,718	-	9,718	9,000	718
Total Expenditures	4,047,616	283,824	4,331,440	\$ 5,328,759	\$ (997,319)
Receipts Over (Under) Expenditures	192,538	(90,389)	102,149		
UNENCUMBERED CASH, July 1, 2014	664,314	89,314	753,628		
Prior Year Cancelled Encumbrances	8,886	1,665	10,551		
UNENCUMBERED CASH, June 30, 2015	\$ 865,738	\$ 590	\$ 866,328		

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-4

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
REGULATORY BASIS

For The Year Ended June 30, 2015

AT RISK (4 YEAR OLD) FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Other Revenue From Local Sources	\$ 1,890	\$ -	\$ 1,890
Incoming Transfers	98,110	100,000	(1,890)
	<u>100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>
EXPENDITURES			
Instruction	86,057	\$ 89,150	\$ (3,093)
Student Transportation Services	13,943	10,850	3,093
	<u>100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2014	<u>-</u>		
UNENCUMBERED CASH, June 30, 2015	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-5

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
REGULATORY BASIS  
For The Year Ended June 30, 2015

AT RISK (K-12) FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Incoming Transfers	\$ 898,966	\$ 1,000,000	\$ (101,034)
EXPENDITURES			
Instruction	862,864	\$ 962,137	\$ (99,273)
Student Support Services	36,102	37,863	(1,761)
Total Expenditures	898,966	\$ 1,000,000	\$ (101,034)
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2014	-		
UNENCUMBERED CASH, June 30, 2015	\$ -		

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-6

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
REGULATORY BASIS

For The Year Ended June 30, 2015

BILINGUAL EDUCATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Incoming Transfers	\$ 8,000	\$ 8,000	\$ -
EXPENDITURES			
Instruction	8,000	\$ 8,000	\$ -
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2014	-		
UNENCUMBERED CASH, June 30, 2015	\$ -		



UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-7

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
REGULATORY BASIS  
For The Year Ended June 30, 2015

CAPITAL OUTLAY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax in Process	\$ 6,159	\$ 16,742	\$ (10,583)
Current Tax	362,810	345,287	17,523
Delinquent Tax	5,056	3,437	1,619
Motor Vehicle Tax	9,399	17,164	(7,765)
Recreational Vehicle Tax	133	195	(62)
In Lieu of Taxes	20	7	13
Interest on Idle Funds	4,665	-	4,665
Other Revenue from Local Sources	13,781	-	13,781
State Aid	109,682	183,075	(73,393)
	<u>511,705</u>	<u>\$ 565,907</u>	<u>\$ (54,202)</u>
Total Receipts			
EXPENDITURES			
Instruction	65,390	\$ 90,000	\$ (24,610)
General Administration	-	10,000	(10,000)
Operations & Maintenance	-	381,508	(381,508)
Other	153,059	249,854	(96,795)
	<u>218,449</u>	<u>\$ 731,362</u>	<u>\$ (512,913)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	293,256		
UNENCUMBERED CASH, July 1, 2014	<u>165,455</u>		
UNENCUMBERED CASH, June 30, 2015	<u>\$ 458,711</u>		

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-8

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
REGULATORY BASIS  
For The Year Ended June 30, 2015

DRIVER TRAINING FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Other Revenue from Local Sources	\$ 9,470	\$ 10,000	\$ (530)
State Aid	4,092	5,100	(1,008)
Incoming Transfers	9,274	10,000	(726)
Total Receipts	<u>22,836</u>	<u>\$ 25,100</u>	<u>\$ (2,264)</u>
EXPENDITURES			
Instruction	21,987	\$ 23,700	\$ (1,713)
Vehicle Operations & Maintenance Services	849	1,400	(551)
Total Expenditures	<u>22,836</u>	<u>\$ 25,100</u>	<u>\$ (2,264)</u>
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2014	<u>-</u>		
UNENCUMBERED CASH, June 30, 2015	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-9

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
REGULATORY BASIS  
For The Year Ended June 30, 2015

FOOD SERVICE FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Interest on Idle Funds	\$ -	\$ 66,234	\$ (66,234)
Lunch Receipts	161,392	154,433	6,959
Breakfast Receipts	16,832	14,519	2,313
Adult & Ala Carte Receipts	38,612	45,805	(7,193)
Miscellaneous Receipts	18,252	25,000	(6,748)
State Aid	6,584	5,858	726
Federal Aid	382,173	364,114	18,059
Incoming Transfers	5,000	60,000	(55,000)
Total Receipts	<u>628,845</u>	<u>\$ 735,963</u>	<u>\$ (107,118)</u>
EXPENDITURES			
Operations & Maintenance	3,812	\$ 13,200	\$ (9,388)
Food Service Operations	<u>627,095</u>	<u>726,800</u>	<u>(99,705)</u>
Total Expenditures	<u>630,907</u>	<u>\$ 740,000</u>	<u>\$ (109,093)</u>
Receipts Over (Under) Expenditures	(2,062)		
UNENCUMBERED CASH, July 1, 2014	<u>4,037</u>		
UNENCUMBERED CASH, June 30, 2015	<u>\$ 1,975</u>		

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-10

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
REGULATORY BASIS  
For The Year Ended June 30, 2015

PROFESSIONAL DEVELOPMENT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Other Revenue from Local Sources	\$ 1,330	\$ -	\$ 1,330
Incoming Transfers	4,126	20,000	(15,874)
Total Receipts	5,456	\$ 20,000	\$ (14,544)
EXPENDITURES			
Instructional Support Staff	5,456	\$ 20,000	\$ (14,544)
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2014	-		
UNENCUMBERED CASH, June 30, 2015	\$ -		

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-11

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
REGULATORY BASIS  
For The Year Ended June 30, 2015

SPECIAL EDUCATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Interest on Idle Funds	\$ -	\$ 60,000	\$ (60,000)
Other Revenue from Local Sources	18,291	30,000	(11,709)
Incoming Transfers	1,674,850	1,745,000	(70,150)
	<u>1,693,141</u>	<u>\$ 1,835,000</u>	<u>\$ (141,859)</u>
EXPENDITURES			
Instruction	1,537,966	\$ 1,811,000	\$ (273,034)
Vehicle Operating Services	8,735	24,000	(15,265)
	<u>1,546,701</u>	<u>\$ 1,835,000</u>	<u>\$ (288,299)</u>
Receipts Over (Under) Expenditures	146,440		
UNENCUMBERED CASH, July 1, 2014	<u>-</u>		
UNENCUMBERED CASH, June 30, 2015	<u>\$ 146,440</u>		

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-12

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
REGULATORY BASIS  
For The Year Ended June 30, 2015

VOCATIONAL EDUCATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Incoming Transfers	\$ 172,903	\$ 220,000	\$ (47,097)
EXPENDITURES			
Instruction	172,903	\$ 220,000	\$ (47,097)
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2014	-		
UNENCUMBERED CASH, June 30, 2015	\$ -		

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-13

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL  
REGULATORY BASIS  
For The Year Ended June 30, 2015

TEXTBOOK & STUDENT MATERIAL REVOLVING FUND

	Textbook	Student Material	Total
RECEIPTS			
Rental Fees & Books	\$ 30,257	\$ -	\$ 30,257
Miscellaneous Receipts	267	22,540	22,807
	<u>30,524</u>	<u>22,540</u>	<u>53,064</u>
Total Receipts			
EXPENDITURES			
Instruction	11,349	20,808	32,157
	<u>11,349</u>	<u>20,808</u>	<u>32,157</u>
Receipts Over (Under) Expenditures	19,175	1,732	20,907
UNENCUMBERED CASH, July 1, 2014	11,380	32,066	43,446
	<u>11,380</u>	<u>32,066</u>	<u>43,446</u>
UNENCUMBERED CASH, June 30, 2015	\$ 30,555	\$ 33,798	\$ 64,353
	<u>\$ 30,555</u>	<u>\$ 33,798</u>	<u>\$ 64,353</u>

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-14

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
REGULATORY BASIS  
For The Year Ended June 30, 2015

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
State Aid	\$ 794,379	\$ 974,615	\$ (180,236)
EXPENDITURES			
Instruction	567,584	\$ 696,355	\$ (128,771)
Student Support Services	57,116	70,131	(13,015)
Instructional Support Staff	25,102	30,832	(5,730)
General Administration	17,397	21,312	(3,915)
School Administration	54,733	67,112	(12,379)
Central Services	6,990	8,596	(1,606)
Operations & Maintenance	30,663	37,608	(6,945)
Student Transportation Services	16,126	19,751	(3,625)
Food Service	18,668	22,918	(4,250)
Total Expenditures	794,379	\$ 974,615	\$ (180,236)
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2014	-		
UNENCUMBERED CASH, June 30, 2015	\$ -		



UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-15

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL  
REGULATORY BASIS  
For The Year Ended June 30, 2015

CONTINGENCY RESERVE FUND

	<u>Actual</u>
RECEIPTS	
Incoming Transfers	<u>\$        350,000</u>
EXPENDITURES	
Outgoing Transfers	<u>            23,403</u>
Receipts Over (Under) Expenditures	326,597
UNENCUMBERED CASH, July 1, 2014	<u>                  -</u>
UNENCUMBERED CASH, June 30, 2015	<u><u>\$        326,597</u></u>

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-16

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
REGULATORY BASIS  
For The Year Ended June 30, 2015

SPECIAL ASSESSMENT FUND

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
RECEIPTS			
General Property Taxes			
Delinquent Tax	<u>\$          1</u>	<u>\$          -</u>	<u>\$          1</u>
EXPENDITURES			
Site Improvement Services	<u>          -</u>	<u>\$          36</u>	<u>\$         (36)</u>
Receipts Over (Under) Expenditures	1		
UNENCUMBERED CASH, July 1, 2014	<u>36</u>		
UNENCUMBERED CASH, June 30, 2015	<u>\$          37</u>		

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-17

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
REGULATORY BASIS  
For The Year Ended June 30, 2015

GIFTS & GRANTS FUND

	Owls Grant Fund	KS Reading Roadmap Grant Fund	Duclos Grant Fund	NCK Honor Flight	Children's Trust Fund	Other Gifts & Donations Fund	Total Gifts and Donations	Budget*	Variance Over (Under)
RECEIPTS									
Contributions & Donations	\$ -	\$ 93,026	\$ 650	\$ 20,524	\$ 462	\$ 27,145	\$ 141,807	\$ 176,097	\$ (34,290)
EXPENDITURES									
Instruction	-	49,637	3,555	25,634	1,138	51,721	131,685	\$ 250,000	\$ (118,315)
Supervision	-	1,036	-	-	-	-	1,036	-	1,036
Total Expenditures	-	50,673	3,555	25,634	1,138	51,721	132,721	\$ 250,000	\$ (117,279)
Receipts Over (Under) Expenditures	-	42,353	(2,905)	(5,110)	(676)	(24,576)	9,086		
UNENCUMBERED CASH, July 1, 2014	1,000	-	4,285	12,950	1,007	49,993	69,235		
UNENCUMBERED CASH, June 30, 2015	\$ 1,000	\$ 42,353	\$ 1,380	\$ 7,840	\$ 331	\$ 25,417	\$ 78,321		

\* Gifts and Grants Funds are not required by statute to be budgeted, this budget is for informational purposes only.

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-18

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
REGULATORY BASIS  
For The Year Ended June 30, 2015

PARENTS AS TEACHERS FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Payments from Other Districts	\$ 29,150	\$ 29,150	\$ -
State Aid	44,846	44,846	-
Total Receipts	<u>73,996</u>	<u>\$ 73,996</u>	<u>\$ -</u>
EXPENDITURES			
Instructional Support Staff	<u>\$ 75,186</u>	<u>\$ 75,765</u>	<u>\$ (579)</u>
Receipts Over (Under) Expenditures	(1,190)		
UNENCUMBERED CASH, July 1, 2014	<u>1,769</u>		
UNENCUMBERED CASH, June 30, 2015	<u>\$ 579</u>		

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-19

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
REGULATORY BASIS  
For The Year Ended June 30, 2015

FEDERAL FUNDS

	Carl Perkins Grant Fund	USDA Grant	Safe & Supportive Schools Grant	Title I	Title IIA Improving Teacher Quality	Total Federal Funds	Budget*	Variance Over (Under)
RECEIPTS								
Federal Aid	2,341	25,000	83,000	195,748	47,699	353,788	\$ 243,447	\$ 110,341
Other	\$ 899	\$ -	\$ -	\$ -	\$ -	\$ 899	-	899
Total Receipts	<u>3,240</u>	<u>25,000</u>	<u>83,000</u>	<u>195,748</u>	<u>47,699</u>	<u>354,687</u>	<u>\$ 243,447</u>	<u>\$ 111,240</u>
EXPENDITURES								
Instruction	3,459	25,000	83,000	192,892	47,699	352,050	\$ 280,661	\$ 71,389
School Administration	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,617</u>	<u>-</u>	<u>10,617</u>	<u>-</u>	<u>10,617</u>
Total Expenditures	<u>3,459</u>	<u>25,000</u>	<u>83,000</u>	<u>203,509</u>	<u>47,699</u>	<u>362,667</u>	<u>\$ 280,661</u>	<u>\$ 82,006</u>
Receipts Over (Under) Expenditures	(219)	-	-	(7,761)	-	(7,980)		
UNENCUMBERED CASH, July 1, 2014	4,667	-	-	37,214	-	41,881		
Prior Year Cancelled Encumbrances	<u>219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>219</u>		
UNENCUMBERED CASH, June 30, 2015	<u>\$ 4,667</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,453</u>	<u>\$ -</u>	<u>\$ 34,120</u>		

\* Federal Funds are not required by statute to be budgeted, this budget is for informational purposes only.

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-20

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL  
REGULATORY BASIS  
For The Year Ended June 30, 2015

DISTRICT ACTIVITY FUNDS

	<u>Actual</u>
RECEIPTS	<u>\$ 127,528</u>
EXPENDITURES	<u>115,238</u>
Receipts Over (Under) Expenditures	12,290
UNENCUMBERED CASH, July 1, 2014	<u>31,318</u>
UNENCUMBERED CASH, June 30, 2015	<u><u>\$ 43,608</u></u>

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-21

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
REGULATORY BASIS  
For The Year Ended June 30, 2015

BOND & INTEREST FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax in Process	\$ 3,289	\$ 8,950	\$ (5,661)
Current Tax	180,090	171,361	8,729
Delinquent Tax	4,325	1,836	2,489
Motor Vehicle Tax	25,277	13,237	12,040
Recreational Vehicle Tax	269	151	118
In Lieu of Taxes	10	6	4
State Aid	156,047	156,047	-
	<u>369,307</u>	<u>\$ 351,588</u>	<u>\$ 17,719</u>
Total Receipts			
EXPENDITURES			
Principal	124,375	\$ 125,000	\$ (625)
Interest	235,712	237,900	(2,188)
Commission & Postage	-	1,000	(1,000)
	<u>360,087</u>	<u>\$ 363,900</u>	<u>\$ (3,813)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	9,220		
UNENCUMBERED CASH, July 1, 2014	<u>487,839</u>		
UNENCUMBERED CASH, June 30, 2015	<u>\$ 497,059</u>		

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-22

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL  
REGULATORY BASIS  
For The Year Ended June 30, 2015

IMPROVEMENT FUND

	<u>Actual</u>
RECEIPTS	<u>\$ -</u>
EXPENDITURES	
Architectural & Engineering Services	54,239
Building Improvements	<u>2,059,117</u>
Total Expenditures	<u>2,113,356</u>
Receipts Over (Under) Expenditures	(2,113,356)
UNENCUMBERED CASH, July 1, 2014	<u>2,360,173</u>
UNENCUMBERED CASH, June 30, 2015	<u><u>\$ 246,817</u></u>



UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-23

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL  
REGULATORY BASIS  
For The Year Ended June 30, 2015

DONALD WADE SCHOLARSHIP FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	<u>\$ 5</u>
EXPENDITURES	<u>-</u>
Receipts Over (Under) Expenditures	5
UNENCUMBERED CASH, July 1, 2014	<u>4,248</u>
UNENCUMBERED CASH, June 30, 2015	<u><u>\$ 4,253</u></u>

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-24

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL  
REGULATORY BASIS  
For The Year Ended June 30, 2015

CHERYL LAAS MEMORIAL FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	<u>\$ 22</u>
EXPENDITURES	
Scholarship	<u>500</u>
Receipts Over (Under) Expenditures	(478)
UNENCUMBERED CASH, July 1, 2014	<u>7,490</u>
UNENCUMBERED CASH, June 30, 2015	<u><u>\$ 7,012</u></u>

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-25

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL  
REGULATORY BASIS  
For The Year Ended June 30, 2015

NICOLE BARLEEN SCHOLARSHIP FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	\$ 51
Donations	<u>1,000</u>
Total Receipts	<u>1,051</u>
EXPENDITURES	
Scholarship	<u>1,000</u>
Receipts Over (Under) Expenditures	51
UNENCUMBERED CASH, July 1, 2014	<u>18,798</u>
UNENCUMBERED CASH, June 30, 2015	<u><u>\$ 18,849</u></u>

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-26

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL  
REGULATORY BASIS  
For The Year Ended June 30, 2015

CHS CENTENNIAL SCHOLARSHIP FUND

	Actual
RECEIPTS	
Interest on Idle Funds	\$ -
EXPENDITURES	
Scholarship	100
Receipts Over (Under) Expenditures	(100)
UNENCUMBERED CASH, July 1, 2014	100
UNENCUMBERED CASH, June 30, 2015	\$ -

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-27

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL  
REGULATORY BASIS  
For The Year Ended June 30, 2015

FLOYD HULL SCHOLARSHIP FUND

	Actual
RECEIPTS	
Interest on Idle Funds	\$ 1
EXPENDITURES	
Scholarship	250
Receipts Over (Under) Expenditures	(249)
UNENCUMBERED CASH, July 1, 2014	1,312
UNENCUMBERED CASH, June 30, 2015	\$ 1,063

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-28

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL  
REGULATORY BASIS  
For The Year Ended June 30, 2015

TREVOR GENNETTE SCHOLARSHIP

	Actual
RECEIPTS	
Donations	\$ 550
EXPENDITURES	
Scholarship	250
Receipts Over (Under) Expenditures	300
UNENCUMBERED CASH, July 1, 2014	-
UNENCUMBERED CASH, June 30, 2015	\$ 300

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 2-29

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL  
REGULATORY BASIS  
For The Year Ended June 30, 2015

CHAD MCDANIEL SCHOLARSHIP

	Actual
RECEIPTS	
Donations	\$ 1,000
EXPENDITURES	
Scholarship	500
Receipts Over (Under) Expenditures	500
UNENCUMBERED CASH, July 1, 2014	-
UNENCUMBERED CASH, June 30, 2015	\$ 500

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 3

SUMMARY OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS  
For The Year Ended June 30, 2015

AGENCY FUNDS

FUND	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Student Activity Funds	\$ 95,547	\$ 174,676	\$ 158,107	\$ 112,116
Payroll Hold-Backs USD 333	14,993	36,058	38,518	12,533
Payroll Hold-Backs LCNCK	23,448	52,071	51,217	24,302
Student Activity Sales Tax	1,089	8,851	8,856	1,084
Total	<u>\$ 135,077</u>	<u>\$ 271,656</u>	<u>\$ 256,698</u>	<u>\$ 150,035</u>



UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 4

SCHEDULE OF RECEIPTS, EXPENDITURES & UNENCUMBERED CASH  
REGULATORY BASIS  
For The Year Ended June 30, 2015

DISTRICT ACTIVITY FUNDS

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Athletics	\$ 12,273	\$ -	\$ 90,063	\$ 78,783	\$ 23,553	\$ -	\$ 23,553
Drama	3,370	-	5,297	6,734	1,933	-	1,933
Music Festival	2,050	-	-	-	2,050	-	2,050
Business Production	809	-	9	-	818	-	818
Cat Scratch Productions	176	-	1,344	1,096	424	-	424
Athletics Concession	8,155	-	13,125	10,741	10,539	-	10,539
Library Project Fund	832	-	-	832	-	-	-
Renaissance	3,563	-	8,090	7,582	4,071	-	4,071
Drivers Education	90	-	9,600	9,470	220	-	220
Total District Activity Funds	<u>\$ 31,318</u>	<u>\$ -</u>	<u>\$ 127,528</u>	<u>\$ 115,238</u>	<u>\$ 43,608</u>	<u>\$ -</u>	<u>\$ 43,608</u>

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 5

SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS  
For The Year Ended June 30, 2015

STUDENT ACTIVITY FUNDS

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School Student Council	\$ 1,859	\$ 5,391	\$ 5,155	\$ 2,095
Junior High Student Council	2,523	3,177	3,716	1,984
Con Global Action Team	500	-	-	500
Chess Club	1,821	12,172	10,011	3,982
National Honor Society	282	-	60	222
Scholar Bowl	1,093	3,914	3,050	1,957
Football & Weight Club	1,544	2,029	1,301	2,272
National Art Honor Society	396	808	659	545
Cheerleaders	987	7,495	8,382	100
Dance Squad	2,797	13,658	13,114	3,341
National Forensic League	233	707	532	408
Friends of Rachel	2,076	8,849	9,457	1,468
F.B.L.A.	402	1,315	1,408	309
Junior High Band	1,920	1,164	938	2,146
High School Band	2,135	4,979	3,912	3,202
F.C.C.L.A.	2,756	314	918	2,152
F.F.A.	6,412	23,388	24,229	5,571
F.F.A. Fruit	28,501	32,462	25,150	35,813
F.F.A. Scholarship	1,266	-	400	866
Skills USA	155	-	-	155
F.C.A.	3,884	1,000	-	4,884
Junior High Vocal Music	406	-	67	339
High School Vocal Music	11,892	22,808	12,389	22,311
Softball Club	920	600	-	1,520
Baseball Club	611	3,510	3,802	319
Volleyball Club	841	500	849	492
Golf Club	348	-	120	228
Tennis Club	1,788	-	1,207	581
Drama Club	29	200	200	29
Science Club	2,528	319	459	2,388
Foreign Language Club	24	-	-	24
Track Club	1,018	600	369	1,249
S.A.D.D.	570	2,434	2,623	381
Wrestling Club	1,633	2,172	3,551	254
Girls Basketball	96	3,017	3,027	86
Boys Basketball	3	300	290	13
Football Team	824	3,735	4,155	404
CMS Friends of Rachel	1,097	728	1,236	589
Renaissance	-	-	-	-
Class of 2015	1,178	5	1,183	-
Class of 2015	1,358	1,115	750	1,723
Class of 2016	3,899	3,665	5,457	2,107
Class of 2017	942	1,552	741	1,753
Class of 2018	-	355	-	355
J.A.G.	-	4,239	3,240	999
Total Student Organization Funds	<u>\$ 95,547</u>	<u>\$ 174,676</u>	<u>\$ 158,107</u>	<u>\$ 112,116</u>

UNIFIED SCHOOL DISTRICT NO. 333  
SINGLE AUDIT SECTION  
FOR THE YEAR ENDED JUNE 30, 2015



# MAPES & MILLER LLP

**CERTIFIED PUBLIC ACCOUNTANTS**

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

418 E HOLME  
NORTON, KS 67654  
(785)877-5833

P.O. BOX 412, 230 MAIN ST  
QUINTER, KS 67752  
(785)754-2111

JOHN D. MAPES, CPA, CHTD

DENIS W. MILLER, CPA, PA

THOMAS B. CARPENTER, CPA, PA

DON E. TILTON, CPA, PA

BRIAN S. THOMPSON, CPA, PA

REBECCA A. LIX, CPA, PA

STEPHANIE M. HEIER, CPA, PA

P.O. BOX 266

711 3<sup>RD</sup> STREET

PHILLIPSBURG, KS 67661

(785)543-6561

P.O. BOX 508

503 MAIN STREET

STOCKTON, KS 67669

(785)425-6764

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

December 14, 2015

Board of Education  
Unified School District No. 333  
Concordia, Kansas 66901

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statement of Unified School District No. 333, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Unified School District No. 333's basic financial statement and have issued our report thereon dated December 14, 2015. Our report on the financial statement disclosed that, as described in Note 1 to the financial statements, the Unified School District No. 333 prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than generally accepted accounting principles.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Unified School District No. 333's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 333's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 333's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies (2015-1, 2015-2, & 2015-3).

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Unified School District No. 333's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that we reported to management of Unified School District No. 333 in a separate letter dated December 14, 2015.

### **Unified School District No. 333's Response to Findings**

Unified School District No. 333's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Unified School District No. 333's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

*Mapes & Miller LLP*  
Certified Public Accountants

December 14, 2015  
Phillipsburg, Kansas



# **MAPES & MILLER LLP**

**CERTIFIED PUBLIC ACCOUNTANTS**

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

418 E HOLME  
NORTON, KS 67654  
(785)877-5833

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P.O. BOX 266

711 3<sup>RD</sup> STREET

PHILLIPSBURG, KS 67661

(785)543-6561

P.O. BOX 508

503 MAIN STREET

STOCKTON, KS 67669

(785)425-6764

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

December 14, 2015

Board of Education  
Unified School District No. 333  
Concordia, Kansas 66901

### **Report on Compliance for Each Major Federal Program**

We have audited Unified School District No. 333's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Unified School District No. 333's major federal programs for the year ended June 30, 2015. Unified School District No. 333's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Unified School District No. 333's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unified School District No. 333's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Unified School District No. 333's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Unified School District No. 333 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

Management of Unified School District No. 333 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Unified School District No. 333's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 333's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular-A-133. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

*Mapes & Miller LLP*

Certified Public Accountants

December 14, 2015  
Phillipsburg, Kansas

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

Schedule 6

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ending June 30, 2015

Federal Grantor/Pass-Through Grantor	Federal CFDA Number	Federal Unencumbered Cash July 1, 2014	Cash Receipts	Expenditures	Federal Unencumbered Cash June 30, 2015
<u>U.S. Department of Education</u>					
Passed through Kansas Department of Education (KSDE)					
Title I Low Income	84.010	\$ 37,214	\$ 195,748	\$ 203,509	\$ 29,453
Special Education-Grants to States	84.027	-	609,694	609,694	-
Career & Technical Education	84.028	-	2,341	2,341	-
Special Education-Preschool Grants	84.173	-	43,896	43,896	-
Safe and Drug-Free Schools and Communities	84.184	-	83,000	83,000	-
Title II-A Improving Teacher Quality	84.367	-	47,699	47,699	-
Total U.S. Department of Education		37,214	982,378	990,139	29,453
<u>U.S. Department of Agriculture</u>					
Passed through Kansas Department of Education (KSDE)					
School Breakfast Program	10.553	-	72,121	72,121	-
National School Lunch Program	10.555	-	284,151	284,151	-
Summer Food Service Program	10.559	-	24,702	24,702	-
State Administrative Expenses for Child Nutrition	10.560	-	859	859	-
Team Nutrition Grant	10.574	-	420	420	-
Farm to School	10.575	-	100	100	-
Total U.S. Department of Agriculture Passed Through KSDE		-	382,353	382,353	-
Direct Programs					
Community Facilities Loans & Grants	10.780	-	25,000	25,000	-
Total U.S. Department of Agriculture		-	407,353	407,353	-
Total		\$ 37,214	\$ 1,389,731	\$ 1,397,492	\$ 29,453

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 333 and is presented using the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, the same as the financial statements accompanying this schedule. The information presented in this schedule is in accordance with the requirements of OMB Circular A-133, Audits of States, local governments, and non-profit organizations.



UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2015

SECTION 1 – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:

In accordance with Generally Accepted Accounting Principles

Adverse

In accordance with the statutory basis of accounting described in Note 1

Unmodified

Internal control over financial reporting:

- Material weaknesses identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☒ Yes ☐ None reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ No

FEDERAL AWARDS

Internal control over major programs:

- Material weaknesses identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB *Circular A-133*?

☐ Yes ☒ No

Identification of major programs:

CFDA NUMBER

NAME OF FEDERAL PROGRAM

10.553

Child Nutrition Cluster:

10.555

School Breakfast Program

10.559

National School Lunch Program

Summer Food Service Program

Special Education Cluster:

84.027

Special Education – Grants to States

84.173

Special Education – Preschool Grants

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015

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SECTION 2 – FINDINGS – FINANCIAL STATEMENT AUDIT

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INTERNAL CONTROL

2015-1 Segregation of duties

Condition: The limited staff size does not provide for adequate segregating of duties.

Criteria: Segregation of duties should be maintained to strengthen internal control over accounting and compliance functions.

Effect: Lack of segregation of duties increases the risk of errors and noncompliance occurring and not being detected in a timely manner.

Cause: Because the entity is small, management does not feel it is feasible to hire more staff.

Recommendations: Duties of key financial and compliance personnel should be evaluated to determine if duties could be segregated.

Response: We concur with the recommendation. However, the size of the entity does not make it practical to have sufficient number of employees to achieve the optimum level of internal control.

2015-2 Financial Statement Preparation

Condition: Management does not have the qualifications and training necessary to prepare the financial statements, including the related footnote disclosures, in accordance with the reporting and formatting requirements of the Kansas Municipal Audit and Accounting Guide.

Criteria: Management must have controls over the preparation of the financial statements, including footnote disclosures, which would prevent or detect an omission/misstatement in the financial statements in accordance with the basis of accounting adopted.

Effect: The District lacks internal controls over the preparation of the financial statements, note disclosures, and regulatory required supplemental information. The control deficiency allows for omission/misstatements in the financial statements including footnotes that may not be prevented, detected, or corrected.

Cause: There are no procedures in place that require management to obtain the necessary qualifications and training. The clerk for the District is new to the position and has not been able to attend training.

Recommendations: Management would need to attend training classes to educate on proper and complete preparation of the financial statements and footnote disclosures and to be aware of all of the current accounting standards by purchasing annual accounting subscriptions. We recommend that management continue to increase their knowledge of financial reporting.

Response: We concur with the recommendation.

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015

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SECTION 2 – FINDINGS – FINANCIAL STATEMENT AUDIT

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INTERNAL CONTROL (Cont.)

2015-3 E-Requisitions/Purchase Orders

Condition: In performing the expenditure testing, we noted multiple instances where the invoices for purchases were dated prior to the E-requisition and Purchase Orders being completed and approved.

Criteria: It is the District's policy that an E-requisition and Purchase Orders be completed and approved before items are ordered or services are performed.

Effect: The lack of proper approval of expenditures increases the risk the funds will not be available in the respective funds to encumber and pay for expenditures.

Cause: Responsible parties failed to initiate E-Requisitions and Purchase Orders for some of the expenditures of the District prior to ordering supplies and prior to services being performed.

Recommendations: We recommend that E-requisitions and Purchase Orders be prepared and approved before any items are ordered or services are performed.

Response: We concur with the recommendation and will request that all employees follow the District's policy.

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SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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U.S. DEPARTMENT OF AGRICULTURE

Child Nutrition Cluster - CFDA No. 10.553, 10.555, and 10.559. No reportable findings or questioned costs for the year ended June 30, 2015.

U.S. DEPARTMENT OF EDUCATION

Special Education Cluster - CFDA No. 84.027 and 84.173. No reportable findings or questioned costs for the year ended June 30, 2015.

UNIFIED SCHOOL DISTRICT NO. 333  
Concordia, Kansas

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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U.S. DEPARTMENT OF AGRICULTURE

Child Nutrition Cluster – CFDA No. 10.553, 10.555, and 10.559  
No prior year reportable findings.